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RUEHSO/AMCONSUL SAO PAULO 3269

C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 001684

SIPDIS

DEPARTMENT FOR S/CT MARC NORMAN

E.O. 12958: DECL: 12/30/2018

TAGS: PTER ASEC

SUBJECT: EMBASSY BRASILIA PROPOSAL FOR S/CT NADR PROJECT

REF: STATE 128554

Classified By: Charge d'Affairs Lisa Kubiske, Reason 1.4 (b) and (d)

¶1. (SBU) Per reftel, post welcomes the opportunity to request funding to address capability shortfalls and information gaps as Brazil and other countries in South America face mounting and increasingly complex challenges in combating the myriad problems related to terrorism financing, money laundering, drug trafficking, and international organized criminal activity in the region. While Brazil is making strides in enhancing its capabilities and legal framework, tackling these issues effectively requires regionally integrated approaches.

¶2. (C) Intelligence data show that terrorist groups such as Hizballah raise funds not only from the Triborder area of Argentina, Paraguay, and Brazil, but from sympathetic Shi'a communities in other parts of South America, such as Chile and Colombia. Iran is increasingly active in the region, potentially reaching new sources of funding and support by sponsoring Islamic Cultural Centers to stoke pro-Iran and pro-Hizballah feelings among local communities. Pockets of Islamic extremism in Brazil have not been fully investigated and could be supporting terrorist activities elsewhere through criminal enterprises and financing. International organized criminal networks also pose an increasing threat to countries in the region. Narco-terrorist guerrillas continue to expand their international reach and threaten regional stability as they strengthen their links to local organized crime networks. For example, once purely-local criminal groups such as Sao Paulo's First Capital Command (Primeiro Comando da Capital, PCC) and Rio de Janeiro's Red Command (Comando Vermelho, CV), are increasing their international reach and connecting with other regional criminal networks to purchase drugs and weapons and enhance their capabilities. Brazilian Federal Judge Odilon de Oliveira has observed that the FARC has trained members of PCC and CV on kidnapping techniques. Oliveira also claims that Brazilian narcotraffickers deal directly with the FARC in purchasing drugs, bypassing Colombian intermediaries. Also of concern is PCC's growing presence in Paraguay. Regional approaches are necessary to counter the strengthened and increasingly deadly capabilities fostered by these growing international linkages.

¶3. (U) 1. (U) Per ref, Embassy Brasilia requests NADR anti-terrorism funding for a regional conference in 2009 to discuss the range of financial crimes that are linked to terrorist and narco-terrorist organizations in South America.

Title of Embassy Brasilia Proposed Project:

-- 2nd Annual Latin America Threat Finance Conference, August 2009, Rio de Janeiro

Implementing Agency or Organization:

-- Resident Legal Advisor (RLA) for Brazil

Description of Program:

-- The project will build on, institutionalize, and internationalize a successful August 2008 exchange hosted by LEGATT Brasilia in Rio de Janeiro which drew about 100 participants from Brazilian law enforcement agencies, along with a few international participants. The proposed 2009 conference will expand on the 2008 exchange and include at least 200 prosecutors and judges (from Brazil's money laundering courts), as well as law enforcement and judicial officials from the countries of the Southern Cone of South America.

-- The conference agenda will focus on trends and methods of terrorism and narco-terrorism financing, financial profiling, banking and money remittance systems, wire transfers, bulk cash smuggling, investigative/analytical techniques and resources, developing task forces, data exploitation. Experts from the FBI, Treasury, Department of Justice and other U.S. agencies will conduct some of the training, as well as presenters from various participating countries, including Brazilian money-laundering expert Federal judge

BRASILIA 00001684 002 OF 002

Odilon de Oliveira.

Objectives:

-- The conference will facilitate dialogue between U.S. officials and their Latin American counterparts, build partner capacity in financial investigative and analytical techniques, and raise participant countries' awareness of the value of counter-money laundering and terrorism finance investigations. Increased valuation of and attention to such investigations can inhibit criminal and terrorist groups by denying access to funding, bolster the integrity of participant countries, financial systems, and improve rule of law. Increased regional cooperation will hinder transnational criminal activity and contribute to the overall security, stability, and prosperity of the region.

Target audience:

-- Intelligence, police and customs officials, prosecutors, and judges from Brazil, Argentina, Paraguay, Uruguay, Chile, and Colombia. Although outside the Souther Cone, including officials from Colombia would usefully expand the dialogue to effectively discuss FARC illicit financial activity in the region.

Timeline:

-- August 2009

Embassy point of contact:

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Costs:

-- Project costs will be determined according to participation from other countries. Several posts have already been approached and are supportive of the concept, including Santiago and Montevideo. This year's conference, which consisted mainly of Brazilian participants costs approximately USD 60,000. A minimum of USD 200,000 to 300,000 would be necessary to reach the intended target audience for next year's conference.

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